



# Extraordinary HUU Limited Board Meeting (including HUUS Ltd Directors) Minutes

Friday 15<sup>th</sup> May 2020, 9.30am, Held via Canvas


Present:

Stuart Ferguson (Trustee, Chair, SF); Alan Bolchover (Trustee, AB); Sara Webb (Trustee, SW); Isobel Hall (President of the Students' Union, PRES); Abigail Morris (President of Inclusivity & Diversity, PID); Nguper Orduen Simeon (President of Education, PE); Erin H. Pettit (President of Sport, PS); Ryan Ward (Student Trustee, RW); Anotidaishe Manjanja, Student Trustee, AM); Huseyin Arslan (Student Trustee, HA); David Brammer (HUUS Ltd Director, DB); Gaius Powell (Trustee, and HUUS Ltd Director GP);

Attending: Jane Stafford (Chief Executive, CEO); Andy King (Commercial Services Director, CSD); Kevin Pearson (Finance & Human Resources Director, FHRD); James Schadla-Hall (Executive Support Co-Ordinator, ESC) - Minutes

## Agenda

- 1. Apologies for Absence** **Chair**  
Lee Pearson (Student Trustee, LP);
- 2. Conflicts of Interest** **Chair**  
Members were asked to declare any interests they might have in the business to be discussed.  
  
PID and PS both declared an interest with regards to the decision on fixed hours fixed term contracts, as both are employed on fixed term contracts ending on 26<sup>th</sup> June 2020.  
  
It was AGREED that in accordance with Article 58 of Hull University Union Limited's Articles of Association PID and PS will have no vote on this matter and will withdraw from the meeting while the voting takes place.,  
  
It was NOTED that, depending on the issues the Board takes a decision on, attendees who are HUU staff may have to absent themselves from the meeting at certain points. If this is necessary it will be recorded in the minutes when this occurs.
- 3. Furloughing of HUSU Staff** **SMT**  
SMT presented a report to the Board on HUSU Covid-19 Furlough Policy. The Board is asked to:
  - Note the financial context in considering the recommended Furlough Policy.
  - Approve the Furlough Policy as presented in this paper.
  - Agree a clear response from the Trustees on the challenge from Staff to reconsider the decision on termination of zero-hour fixed term contracts.



In presenting the report it was NOTED that the Report includes some context on HUSU's finances and, in Appendix 2, on cost of living to support their decision making.

It was NOTED that Members had the opportunity to discuss the content of the papers before this meeting; in the interests of providing clarity and supporting the decision making of the Board. This offer was taken up by Members and discussions of the paper's contents were held in the week previous to this board meeting.

CEO reiterated the recommendations from SMT presented in the report:

1. HUSU continues with the Coronavirus Job Retention Scheme (CJRS) in accordance with the current policy of paying 100% of pay and claims the 80% grant in line with Government guidance.
2. SMT requests a clear response from the Trustees on the challenge from Staff to reconsider the decision on termination of zero-hour fixed term contracts.


CEO stated that, with regards to the zero-hour fixed term contract schemes, advice has been received and there is the option to extend the contracts those on zero-hour fixed term contracts at 80% of salary and continue to furlough them under CJRS. This option can therefore form part of the Board's deliberations.

Members considered and commented on the report. In response to Board Members' questions, the following issues were discussed and NOTED:

- There are currently 25 HUSU staff working from home – the full-time equivalent is 23.76.
- CEO attends a weekly meeting with representatives from 30 SUs in the UK. The stronger feeling of participants at this meeting, is to use the CJRS to support workers, in particular student staff, as much as possible. Many SUs are furloughing staff at 100% of salary and furloughing returning student staff.

A smaller number of SUs seem to be taking the position of terminating contracts in line with their terms. While there is concern in the sector about negative press coverage and reputational damage that may result from a decision to terminate staff a number of CEOs feel that these concerns should not alter their decision.

- There is not a written copy of the subvention agreement between The University of Hull and HUU, but work is being done to agree one. As soon as a draft is agreed it will be shared with Trustees. Matters regarding the subvention can currently be found in the Code of Practice document.
- The vast majority of the zero-hour fixed term contracts being discussed have an end date on or around the 22<sup>nd</sup> May; the standard end date for these contracts. Under normal circumstances these contracts are based on business needs – so some staff are brought back earlier in the summer depending on need. HUU normally re-recruits in May for the following academic year.

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- While the immediate risk of CJRS payments being reclaimed is low HUSU cannot know how the Government and HMRC will be interpreting its guidance in the future, during the four year period that auditing can take place and payments can be reclaimed.

Extending the contracts against normal business practice and business demand exposes the organisation to additional financial risk due to the possibility of payments being reclaimed by HMRC. This was placed in the context of the current and forecast financial position, with a significant loss of trading income expected for a prolonged period.

- In response to a query from the Board FHRD replied that the estimated salary cost of current zero-hour fixed term contracts is £8k a week. Therefore, if the CJRS was extended for 8 weeks at 80% of salary the amount of money that HUU would be at risk of having to repay to the government would be approximately £51k.
- Board Members commented that, while HUU's current financial position is better than expected during these difficult circumstances, it faces significant risks to the organisation's medium and long term financial sustainability given the impact on commercial income resulting from Covid-19.
- Around 85% of HUSU zero-hour fixed term employees are students, with the majority of student staff being employed at HUU for no more than two years. Most Students cannot claim other Social Security benefits. Any decision made by the Board would apply equally to all staff on zero-hour fixed term contracts.
- There is a likely risk of reputational damage regarding the decision on zero-hour fixed term contracts.

Members were then asked to vote on whether to reconsider the decision to terminate zero-hour fixed term contracts. PID and PS left the meeting and were not present for voting due to the declared conflict of interests.


By majority vote it was AGREED by the Board that their previous decision - to terminate zero-hour fixed term contracts, in line with their normal end date of on or around 22<sup>nd</sup> May - would be upheld.

PE asked for his vote against this decision to be NOTED - this was AGREED.

The Chair thanked Members for their careful consideration of what the Board had recognised was a difficult decision to come to.

ACTION – Chair to work with CSD on communication of this decision to staff who had challenged the original decision. SW to support this by looking at the furlough policy in terms of structure and language and share views with CEO.

PS and PID rejoined the meeting after being informed that the vote had taken place.



The Board then turned to consideration of HUSU current Furlough policy and position of paying 100% of pay and claiming the 80% grant in line with Government guidance.

In response to Board Members' questions, the following issues were discussed and NOTED:

- It is expected that, if the decision is taken to furlough permanent staff at 80% of pay, the 30 day consultation process involving Unions will take place, having been triggered by the required number of staff disagreeing with the proposals.
- In principle the University would not object to the furloughing of staff from Membership Services in the short term, but would want the President Team retained. Detailed discussions would have to take place to confirm this.
- There is no current indication on University of Hull Campus re-opening date.
- At least one other Student Union has raised the possibility of redundancies with their staff.
- If staff agreement to furlough at 80% is not achievable following consultation then other options would have to be considered by the board in the future.
- The Board NOTED the existing framework on financial delegation.
- CEO confirmed that CEO and Chair along with SMT are empowered to make staffing decisions below CEO level.
- HUSU is currently running essential services during lockdown – there is an opportunity to look at level of service provision during the summer months, as this is normally a 'planning period', depending on business need staff that have been furloughed may have to be taken off furlough to contribute to planning at some point. The Government seem to be leaning towards phased returns to work, so flexibility around this is likely to be offered.
- Operational decisions need to be made about the level of service and staffing needed to deliver HUSUs charitable aims.

The Board AGREED by unanimous vote that the focus for HUSU should be to preserve cash reserves as much as possible, while continuing to achieve HUSUs charitable objectives. As part of this the consultation process on moving furloughed staff to an 80% pay level should begin. CEO thanked members for this clear guidance.

ACTION – CSD to draft a response to student staff on furlough issues for Chair to consider. SW offer of support was accepted on this response.

The Chair thanked members and staff for their time and effort and closed the meeting.